

Unaudited Financial Statements of

**COMMONWEALTH BREWERY LIMITED**

Three months ended March 31, 2023

# COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Three months ended March 31, 2023

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## Financial Update

Commonwealth Brewery Ltd. (CBL) continued to produce double digit growth in Net Revenue during the period ending 31<sup>st</sup> March 2023, with an increase of 14%, compared to the same period of 2022. Key drivers of this growth were continued rebound of the tourism sector and in on-premise consumption. These factors delivered strong advances in all channels, with hotels and on-trade growth ahead of other channels. Revenue growth was delivered across most categories through a balanced approach with volume, price and mix improvements. Net revenue benefited also from a positive re-alignment of the excise tax which came into effect during 2022.

Operating expenses increased to \$27.5M for the period (+13%), primarily driven by increases in production and logistics, selling and marketing, as well as payroll expenses. Certain of these increases in operating costs were consistent with the result of post pandemic adjustment activities and the ongoing reality of higher-than-usual inflation. CBL will continue to implement cost mitigation and other measures to contain any profit margin dilution.

Net Profit for the first quarter 2023 was of \$1.9M compared to \$1.3M for the comparative period of 2022. Regarding the short term outlook, CBL remains cautiously optimistic as the country continues to rebound and economic recovery progresses. Management will continue to closely monitor its business strategies as we navigate the ongoing market volatility whilst building for the future.

# COMMONWEALTH BREWERY LIMITED

## Statement of Financial Position (Unaudited)

March 31, 2023, with corresponding figures for December 31, 2022  
(Expressed in Bahamian dollars)

	March 2023	December 2022
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 7,577,939	10,783,179
Trade receivables, net	3,513,850	3,491,290
Prepaid expenses and other assets	6,368,110	6,403,972
Inventories	34,033,400	26,418,447
Total current assets	51,493,299	47,096,888
<b>Non-current assets:</b>		
Right of use asset	8,370,547	8,972,772
Property, plant and equipment	40,898,123	41,520,503
Goodwill	4,487,242	4,487,242
Other intangible assets	1,757,573	1,878,085
Total non-current assets	55,513,485	56,858,602
Total assets	\$ 107,006,784	103,955,490
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 18,059,305	16,318,479
Short-term Lease Liability	2,382,607	2,440,283
Loans and borrowings	-	-
Total current liabilities	20,441,912	18,758,762
<b>Non-current liabilities:</b>		
Long-term Lease liability	6,397,490	6,951,632
Total liabilities	26,839,402	25,710,394
<b>Equity:</b>		
Share capital	150,000	150,000
Share premium	12,377,952	12,377,952
Contributed surplus	16,351,369	16,351,369
Revaluation surplus	9,284,462	9,284,462
Retained earnings	42,003,599	40,081,313
Total equity	80,167,382	78,245,096
Total liabilities and equity	\$ 107,006,784	103,955,490

# COMMONWEALTH BREWERY LIMITED

## Interim Statement of Profit or Loss (Unaudited)

For the three months ended March 31, 2023, with corresponding figures for the three months ended March 31, 2022

(Expressed in Bahamian dollars)

	March 2023	March 2022
<b>Income:</b>		
Revenue	\$ 31,379,114	29,029,240
Excise	(1,617,120)	(2,912,059)
Net revenue	29,761,994	26,117,181
<b>Operating expenses:</b>		
Raw materials, consumables and services	20,997,328	18,397,843
Personnel costs	4,859,969	4,442,959
Depreciation	1,577,552	1,546,441
Amortisation	120,513	102,907
Total operating expenses	27,555,362	24,490,150
Other expenses	206,474	51,596
Results from operating activities	2,000,158	1,575,435
Finance expenses	77,872	285,590
Total net profit	\$ 1,922,286	1,289,845
Basic and diluted earning per share	\$ 0.06	0.04

## COMMONWEALTH BREWERY LIMITED

Interim Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2023

(Expressed in Bahamian dollars)

	Share Capital	Share premium	Contributed Surplus	Revaluation surplus	Retained earnings	Total equity
Balance as at 31 December 2022	150,000	12,377,952	16,351,369	9,284,462	40,081,313	78,245,096
Profit	-	-	-	-	1,922,286	1,922,286
Balance at March 31, 2023	150,000	12,377,952	16,351,369	9,284,462	42,003,599	80,167,382

# COMMONWEALTH BREWERY LIMITED

## Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2023, with corresponding figures for the three months ended March 31, 2022

(Expressed in Bahamian dollars)

	March 2023	March 2022
<b>Cash flows from operating activities</b>		
Net income	\$ 1,922,286	1,289,845
Adjustments for:		
Depreciation	1,577,552	1,546,441
Amortisation	120,513	102,907
Impairment loss recognized on cash and cash equivalents and trade receivables	137,388	(94,244)
Loss on disposal of property, plant and equipment	-	-
Finance expense	77,872	285,590
Net cash from operations before changes in working capital	3,835,612	3,130,539
Changes in non-cash working capital	(6,001,457)	(2,893,202)
Net cash from operating activities	(2,165,845)	237,337
<b>Cash flows from financing activities</b>		
Repayment of loans and borrowings	-	(4,999,995)
Interest paid	(77,872)	(285,590)
Net cash used (from)/in financing activities	(77,872)	(5,285,585)
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(359,279)	(191,251)
Additions to intangible assets	(1)	(2,844)
Repayment of lease liability	(602,225)	(564,604)
Proceeds from sale of property, plant and equipment	(19)	10
Net cash used in investing activities	(961,523)	(758,689)
Net increase/(decrease) in cash and cash equivalents	(3,205,240)	(5,806,937)
Cash and cash equivalents, beginning of quarter	10,783,179	12,333,392
Cash and cash equivalents, end of quarter	7,577,939	6,526,455

## **1. Accounting Policies**

These interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by IFRS for consolidated financial statements. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these unaudited consolidated financial statements.